

**Attachment 3****PERFORMANCE REQUIREMENTS SUMMARY  
AZORES**

| <b><u>REQUIRED SERVICE</u></b>   | <b><u>CONTRACT<br/>REFERENCE</u></b> | <b><u>ACCEPTABLE<br/>QUALITY LEVELS</u></b> | <b><u>METHODS OF<br/>SURVEILLANCE</u></b>   | <b><u>GOV'T ACTIONS (A-1)</u></b>          |
|--|--------------------------------------|---|---|--|
| 1. Carrier shall maintain regularly scheduled liner service on the route covered throughout the term of the contract. Vessel shall call at Azores at intervals not to exceed 25 days with a transit time not to exceed 15 days once leaving last U.S. port of call to Port of Praia, or 15 days from Port of Praia to first discharge port in CONUS. | C-1.1.1                              | 100% performance                            | For each voyage, COR will review the Carrier sailing schedule for the purpose of determining maintenance of scheduled service within the prescribed interval. | Require explanation and corrective action. |

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|--|--------------------------------------|---|--|--|
| 2. Carrier shall carry any and all cargoes offered up to the capacity of the vessel offered for use in this trade with the exception of those limitations of the Carrier's obligations specified in Section H-6. The minimum space available to the Government for each outbound (CONUS to Azores) or inbound (Azores to CONUS) sailing shall be no less than 75 - 40' containers, of which 20 spaces must be capable of accepting 40' refrigerated containers; and 2000 square feet of protected breakbulk/vehicle stowage. Each of the 40' spaces offered must be able to accommodate 2 - 20' containers or the vessels must have additional space to accommodate the 20' container shortfall. | C-1.1.1                              | No deviation                                | Compare bookings with vessel capacity and Carriers minimum obligation. | Document shortfalls and provide report to ACO. |

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|---|--------------------------------------|---|--|--|
| 3. For inbound cargo, inland cargo delivery transit after port clearance (commencement of delivery) Carrier shall not exceed one day for every 300 miles of the shortest road distance from the port of discharge.                                | C-1.1.1                              | 3% of containers per voyage and POD.          | 100% reconciliation of Carrier discharge report with Consignee receipt data. | Require explanation and corrective action.<br>See Note A-1.  |
| 4. Carrier shall furnish a clean, dry, empty, odor-free structurally sound container on a chassis to the Government.  | C-2.1.1                              | 3% deviation per voyage.                      | Shipper complaint  | Reject unacceptable container and request replacement, or accept container and submit claim to COR to recover expense incurred for cleaning.<br>Permit Carrier opportunity to clean an unacceptable container. |
| 5. In CONUS only, the OO shall give the Carrier at least two working days notice where to spot an empty container. The notice for spotting the container will not be later than 5 working days prior to the port cut-off date set by the Carrier. | C-2.2                                | 3% deviation of containers booked per voyage. | Shipper complaint  | Require explanation and corrective action.<br>See Note A-1.  |

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|---|--------------------------------------|---|---|--|
| 6. Carrier shall pickup/<br>remove a stuffed containers<br>from Government facility<br>within one working day unless<br>waived by the COR.                              | C-2.3                                | 3% deviation per voyage.                    | Shipper complaint   | Require explanation and<br>corrective action.<br>See Note A-1.                       |
| 7. Carrier must remove empty<br>container from Government<br>facility within 72 hours unless<br>waived by COR.  | C-2.3                                | No deviation                                | Consignee complaint   | Assess storage charges<br>IAW H-17.<br>Require explanation and<br>corrective action. |
| 8. In Port of Praia, contractor<br>must provide a minimum of<br>30 chassis and appropriate<br>spreader bars and other<br>container handling equipment<br>in the Azores. | C-2.4                                | No deviation unless waived<br>by OO.        | MTMC terminal in Azores<br>reports any deviation to the<br>COR. | Require explanation and<br>corrective action.  |
| 9. Carrier shall contact the<br>Consignee to establish a<br>delivery time.  | C-2.6.1                              | 1 complaint per sailing.                    | Consignee complaint   | Refuse delivery and<br>reschedule.   |

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|---|--------------------------------------|--|--|--|
| 10. In CONUS, Carrier shall commence inland transportation of mail and refrigerated cargo within one working day and dry cargo within two working days after vessel discharge or custom clearance, whichever is later. Vehicles in container will be delivered within 48 hours after the container has been discharged from the vessel. | C-2.6.1                              | 5% deviation of containers per voyage. All containers must commence line-haul or drayage NLT one (1) working day following the required service. | MTMC terminal having cognizance over POD monitors carrier performance. | Require explanation and corrective action.<br>See Note A-1.  |
| 11. The Carrier shall guarantee the Government for each vessel sailing the number of flatracks the Government requires, provided the requirement is given to the Carrier by the OO at least two weeks prior to the intended sailing of the Carrier's vessel.  | C-2.7.3                              | No deviation   | OO reports failure to COR.   | Require explanation and corrective action.   |
| 12. Self-sustaining reefer containers in good working order and shall be delivered to the stuffing activity precooled to the intransit temperature specified by the Government.   | C-2.8.1                              | No deviation   | 100% inspection/Shipper complaint                                      | Reject unacceptable container and request replacement.<br>Require explanation and corrective action. |

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| 13. Internal temperature will be maintained within three (3) degrees Fahrenheit of the specified intransit temperature from time of initial stuffing until unstuffed at final destination. For chilled cargo in reefer containers only, the intransit temperature shall be maintained by the Carrier within plus or minus two (2) degrees Fahrenheit of the specified temperature from the time of initial stuffing until unstuffing at the final destination providing that such variance does not allow cargo freezing. | C-2.8.1                              | No deviation                                | Consignee complaint                       | Submit claim for any loss occurring due to reefer failure.<br>Require explanation and corrective action. |

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| 14. Carrier shall furnish two operable continuous temperature recording instruments (to include at least one interior Ryan type recorder), in each reefer container ordered. These instruments shall measure and record in a legible manner any variation in temperature of 1-degree Fahrenheit or more inside the container during the time it is stuffed with cargo. | C-2.8.3                              | No deviation                                | 100% inspection/<br>Shipper complaint     | Reject unacceptable container and request replacement.<br>Require explanation and corrective action.<br>See Note A-1. |
| 15. Carrier shall make available for inspection by the receiving activity the original printed records of the temperature maintained during transit of refrigerated containers from origin to destination.   | C-2.8.3                              | No deviation                                | 100% inspection/Shipper complaint to COR. | Require explanation and corrective action.  |

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|---|--------------------------------------|---|---|--|
| 16. Carrier shall provide (by mutually agreeable means) the cognizant MTMC activity and the activity responsible for cargo documentation with the following information in connection with cargo loaded at each port. The Carrier shall provide container receipt information within 4 working hours of container receipt. Receipt shall consist of:<br>a. Carrier name<br>b. Port of loading<br>c. Date container is received at port<br>d. Container number with ALPHA prefix<br>e. TCN<br>f. Seal and/or keyless lock number | C-4.1 and<br>C-4.1.1                 | 3% of containers per voyage.                | Complaint by manifesting activity.        | Require explanation and corrective action. |

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| 17. Carrier shall provide container lift information within eight (8) working hours after vessel departure which shall include:<br>a. Name of vessel and voyage document number<br>b. Container number with ALPHA prefix<br>c. TCN<br>d. Port of discharge<br>e. Final destination<br>f. General description of container contents<br>g. Seal and/or keyless lock number | C-4.1 and<br>C-4.1.3                 | 100% performance unless waived by manifesting activity (952d US Army Transportation Company or FISC Norfolk) on a case-by-case basis. | Complaint by manifesting activity.        | Require explanation and corrective action. |
| 18. Carrier shall notify the ACO with a complete report if a seal on any container has been broken and/or replaced while in the Carrier's custody.   | C-4.1.3                              | No deviation  | Carrier/Consignee/<br>Terminal complaint. | Require explanation and corrective action. |

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|--|--------------------------------------|--|---|--|
| 19. Carrier shall provide both the cognizant MTMC activity and local activity responsible for cargo documentation a listing by container number and TCN of containers, which were booked but not loaded, or loaded but not booked, and the reasons why the containers missed their designated scheduled sailing. | C-4.1.4                              | 100% performance unless waived by the cognizant COR on a case-by-case basis. | 100% inspection of Carrier lift reports with Shipping Orders/Clearance Orders and military manifests. | Require explanation and corrective action. |

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|---|--------------------------------------|---|---|--|
| 20. Carrier shall provide either Port of Praia Shipping and Receiving or the MTMC activity having cognizance over each port where containers are discharged with a discharge report. This report shall be provided for each container discharged as soon as practicable after discharge, but NLT 24 hours prior to either the commencement of drayage/line-haul or availability for drayage/line-haul and shall include the following:<br>a. Name and voyage number of vessel making delivery<br>b. Name and voyage number of original carrying vessel if transshipped<br>c. Date and time the container was discharged.<br>d. Date, time, mode of commencement of drayage or line-haul from discharge port to inland destination, container number, and Consignee. | C-4.2                                | 3% of containers per voyage and POD.        | 100% inspection of vessels manifests against Carrier notifications. | Contact Carrier and request container discharge data. Require explanation and corrective action. |

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|---|----------------------------------|---|--|--|
| 21. Carrier shall notify the Government activity having cognizance over each port where Government cargo is to be discharged under this contract of the impending arrival of the vessel. Notice shall be given at least 48 hours prior to arrival, and shall indicate any variation from or correction to information previously furnished. | C-4.5                            | No deviation                            | Complaint by military terminal responsible for SPOD.       | Contact Carrier and request data.<br>Require explanation and corrective action.                  |
| 22. Carrier shall provide an updated sailing and arrival schedule to MTMC every 45 days through the life of contract.   | C-4.5                            | No deviation                            | Complaint by OO.   | Request Carrier to enter updated schedules in IBS.   |
| 23. Carrier shall immediately notify in writing to the COR of any changes to the projected schedule within 7 days of the next scheduled port call. Any slippage in scheduled sailing date/arrival date by more than 1 day must be reported in writing to the COR.   | C-4.5                            | No deviation                            | OCCA will monitor scheduled and actual sail/arrival dates. | Request Carrier to enter updated schedules in IBS.<br>Require explanation and corrective action. |

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|--|--------------------------------------|---|---|--|
| 24. Carrier shall provide notice within 24 hours to both the Contracting Officer and the ACO of any operational shortfall that occurs relative to the service. | C-4.4                                | No deviation                                | OCCA will monitor scheduled and actual sail/ arrival dates. | Require explanation and corrective action.   |
| 25. ACI/EDI capability for cargo offering/booking and receipt/lift data on a fully integrated level must be available on the effective date of this contract.  | C-5                                  | No deviation                                | Complaint from MTMC manifesting activity/OCCA complaint.    | Require explanation and corrective action.<br>PCO issue cure notice.                                       |
| 26. Carriers will begin EDI ITV status reporting no later than the effective date of the contract.   | C-5                                  | No deviation                                | Complaint from MTMC manifesting activity/OCCA complaint.    | Require explanation and corrective action.<br>PCO issue cure notice.                                       |
| 27. Containers shall have name of Carrier in letters not less than 3 inches in height affixed to each end of the container.                                    | D-1                                  | 3 complaints per sailing's.                 | Shipper/Stuffing activity complaint                         | Reject containers not in compliance and request replacement.<br>Require explanation and corrective action. |

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| 28. Carrier shall not furnish a container of a different type or cubic capacity than that originally ordered without written consent of OO.   | G-3                                  | No deviation                                | Shipper/Stuffing activity complaint.  | Reject container and request replacement.<br>Require explanation and corrective action.                  |
| 29. Carrier shall submit properly certified invoices to the MTMC DSC FEVA within 24 months from the date of shipment.   | G-6.2                                | No deviation                                | 100% reconciliation of Carrier invoices.  | Reject Carrier invoices for detention.   |
| 30. Government shall guarantee a minimum volume of cargo per round trip voyage of fifty-seven (57) forty foot equivalent units (FEUs) per round trip voyage based on an quarterly aggregate sequential voyage average (ASVA).<br>Note that the ASVA shall be based solely on the minimum sailings in accordance with Section C-1.1. | H-5.2                                | 100% performance                            | Calculate cargo lifted on each voyage per Government manifest for each quarter of the contract. | The Government shall compensate the Carrier for each whole FEU that falls below the ASVA 57 FEU minimum. |

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| 31. If the Government does not provide the Carrier with the correct container documentation at the time and location of Carrier acceptance, the Carrier may refuse to accept the container  | H-9                              | 3 complaints per Shipper on a monthly basis for missing documentation (exclusive of hazardous cargo shipments). No deviations are permitted for containers with hazardous cargo. | Carrier complaint                             | Require explanation and corrective action from Shippers.<br>Verify/certify Carrier invoices for futile line-haul/drayage. |
| 32. If the Carrier chooses to pickup or accept the container without documentation, the Carrier shall provide the cognizant MTMC Manifesting Activity with all missing receipt or lift data in order that the container can be completely identified for onward movement. This information must be provided within one (1) working day of receipt or lift, or earlier, if necessary to meet the scheduled vessel sailing. | H-9                              | No deviation   | Complaint by Carrier or manifesting activity. | Require explanation and corrective action by Carrier/Shipper.   |
| 33. Government shall not overstuff containers.  | H-12.2                           | No deviation   | Carrier complaint                             | Government must remove excess cargo, and pay/reimburse expenses.  |

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| 34. Government shall release or delivery into the custody of Carrier con-tainers within insufficient reasonable time to meet the scheduled sailing time and date of the Carrier's vessel to which it is booked.              | H-13.1                               | 3% of more of containers per booking, or a cumulative of 3% per quarter. | Carrier complaint.<br>Review of report required by C-4.1.4. | Require explanation and corrective action. |
| 35. Carrier shall obtain written authorization from the ACO at the time of booking in order to transship or relay cargo (containerized or breakbulk).  | H-19.1                               | No deviation   | Report by SPOD.   | Require explanation and corrective action. |
| 36. Carrier shall not transfer or transload cargo from one container to another without the authorization of the ACO, except when such transfer is required to safeguard the cargo during the continu-ation of the movement. | H-21                                 | No deviation   | Report by manifesting activity or SPOD.                     | Require explanation and corrective action. |

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|---|--------------------------------------|---|---|-----------------------------------|
| 37. The total amount of free time in CONUS will be 10 days. At Port of Praia, total free time shall be the time between delivery of a container and arrival of the Carrier's next vessel. | H-23.1                               | No deviation                                | Carrier invoice for detention.            | Verify/certify Carrier invoices.  |

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## **ATTACHMENT 1 - DEFINITIONS AND ABBREVIATIONS**

As used throughout this Contract, the following terms shall have the meaning as set forth below:

**ADMINISTRATIVE CONTRACTING OFFICER (ACO)** - Joint Traffic Management Office, Falls Church, Virginia 22041-5050, or his designee.

**AGREEMENT** - See "Contract".

**AIRCRAFT, UNBOXED** - Includes all vehicles designed primarily for flight, unboxed and completely or partially set up own wheels, pontoons, runners or special cradles.

**BAGGED CARGO** - Bagged cargo is defined as any commingling, homogeneous material shipped in cloth, paper or plastic sacks or bags. Such material may consist of, but is not limited to, dry chemicals, coal, ore, fertilizer, cement, charcoal, coke, mortar, salt, grains, coffee, sugar, peanuts and fruits and vegetables not requiring refrigeration.

**BERTH TERM** - See "Liner Terms".

**BOATS** - Includes all craft in excess of 35 feet in length assigned exclusively for use on or under water and may or may not include a cradle for stowage.

**BREAKBULK CARGO** - Cargo that is not containerized.

**BULK CARGO** - Dry or Liquid Cargo which is not subject to mark or count, shipped in fluid or loose state and not packaged for ocean carriage in any manner, such as grain, ore, coal, chemicals, oil, liquid latex, etc.

**CAR CARRIER** - A trailer/container of open framework designed for carriage of automobiles or other unboxed vehicles.

**CARGO NOS** - Cargo not otherwise specified i.e., all dry cargo other than reefer and vehicles. Dry cargo refers to mixed or straight loads of the commodities listed in Military Standard Transportation and Movement Procedures (MILSTAMP).

**CARGO TRAILER** - See "Van".

**CARGO UNIT** - Two or more pieces of cargo received by Carrier at the same time which has the same consignor and consignee.

**CARRIER** - Any Carrier awarded a Contract pursuant to RFP N00033-97-R-6025, including its agents and subcontractors. The term "Carrier" is used interchangeably with the term "Contractor."

**CHARTERER** - See "Government".

**CHASSIS** - A platform equipped with running gear and front end support on which a container is placed for transport.

**COMMERCIAL ZONE** - The pickup and delivery limits of cities, ports and municipalities in the United States as defined by the Surface Transportation Board and published in 49 CFR Part 1048, on the date service is provided by the Carrier.

**COMMON CARRIER** - (Shipping Act of 1984 (46 U.S.C. App. 1701(6))) - A person holding itself out to the general public to provide transportation by water of passengers or cargo between the United States and foreign country for compensation that:

(a) assumes responsibility for the transportation from the port or point of receipt to the port or point of destination; and,

(b) utilizes, for all or part of that transportation, a vessel operating on the high seas or the Great Lakes between a port in the United States in a foreign country.

**CONSOLIDATION** - Practice of consolidating many less-than-container load cargo in order to make container load movements.

**CONTAINER** - A cargo conveyance which confines and protects the cargo from loss or damage, can be handled in transit as a unit and can be mounted and secured in or on marine, rail or highway equipment. Common types of containers are: weatherproof, dry enclosed, refrigerated, van, tank, nonweatherproof, open top, car Carrier, high cube, and flatracks or platforms.

**CONTAINER DETENTION** - Government ordered delay in commencement of drayage/line-haul (container staging) or Government delay in unstuffing of containers at destination when total delay exceeds total free-time allowed.

**CONTAINERIZABLE CARGO** - Containerizable Cargo is defined as all cargo which can be physically loaded in or on a container.

**CONTRACTING OFFICER** - A Contracting Officer within the scope of that definition in Federal Acquisition Regulation 52-202-1, who has been appointed or designated as such by the Joint Traffic Management Office Command. (See Procurement Contracting Officer)

**CONTRACTING OFFICER REPRESENTATIVE (COR)** - Appointed in writing by the ACO. Responsible for, but not limited to, the following: Designates Quality Assurance Evaluators, monitors the contractor's performance in accordance with the Quality Assurance Surveillance Program, ensures contractor's compliance with reporting requirements, provides data for government reports, verifies/certifies services and conducts initial review of contractors claims.

**CONTRACT** - This document which contains the Contractual terms pursuant to which a Carrier agrees to accomplish transportation of such lawful cargo as may be tendered by the Government.

**CONTRACT CARRIER** - Any person who engages in vessel operating ocean transportation of passengers or cargo in the foreign commerce of the United States for compensation under a continuing contract with the Government for a specified period of time for the furnishing of such ocean transportation services through the dedication of space in its vessels, and for which the carrier assumes responsibility for that transportation from the port or point of receipt to the port or point of destination.

**CONTRACTOR** - See "Carrier".

**CONTINENTAL UNITED STATES (CONUS)** - Forty-eight contiguous states of the United States of America.

**DAYS** - Shall mean calendar days unless specified otherwise.

**DEAD FREIGHT** - Liability to pay for space booked but not used.

**DECK CARGO** - Includes all cargo stowed in open spaces on deck except hazardous cargo which, in accordance with U.S. Coast Guard rules, must be stowed on deck.

**DETENTION** - Charges assessed against the Government for delaying the release of Carrier equipment beyond allowed free time.

**DISCHARGING** - The physical movement of cargo/container from the place of stowage on board a vessel to the pier.

**DIVERSION** - To change the booked destination of a loaded container after transit has commenced, but before the container has commenced final drayage/linehaul from the port of discharge.

**DRAYAGE** - The movement of cargo/container between the Carrier's terminal at the port where the cargo/container is loaded to or discharged from the vessel and another place within the commercial zone or modified zone of that United States port city or within a ten mile radius of that city's limits, by means other than the Carrier's principal vessels, such as by highway or railway.

**DRY CONTAINER** - A completely enclosed weatherproof container.

**EXPLOSIVES** - Includes all military explosives (STB Classes A, B, and C) and military lethal chemicals included within classes II through XI, Title 46, Code of Federal Regulations, Section 146.29-100 (Coast Guard Pamphlet No. 108) for which a permit for handling is required by Title 46, Code of Federal Regulations, Section 146.29-100. This category shall not include small arms ammunition and other items included in Class I of the aforementioned publication.

**FLATCAR** - A railroad car without weatherproof sides or top.

**FLATRACK (PLATFORM) CONTAINER** - A container without weatherproof sides and/or top. Includes platforms and flatracks with rigid or collapsible ends. They can be end loaded or top or side loaded.

**FORCE MAJEURE** - title of a contract provision exempting the parties for non fulfillment of their obligations as result of conditions beyond their control and without the fault or negligence of the breaching party. Examples of such causes are Acts of God or of Public Enemies, acts of the Government, fires, floods, epidemics and quarantine restrictions, strikes, freight embargoes, and unusually severe weather.

**FREE-IN-OUT** - Loading and discharging services are to be performed by the Government.

**FUTILE EFFORT** - The good faith effort of a Carrier to accept cargo which is futile due to fault of the Government. Does not include the instance in which the Carrier spots a container for a particular booking which does not materialize, but is able to utilize the spotted container for another booking without returning the container to its place of origin.

**GENERAL CARGO** - All dry cargo other than refrigerated cargo and vehicles. Dry cargo refers to shipments of straight or mixed loads of the commodities listed in the Military Standard Transportation and Movement Procedures.

**GOVERNMENT** - The United States Government, its agents and Contractors, party to this Contract, and the consignees, their agents and Contractors unless used in a context to refer to another government such as a foreign or local government. Does not include Contractors party to this Contract. Ordering activities authorized under this Contract are included.

**GOVERNMENT DIRECTED SOURCE** - The contracts, agreements, tenders, and approved tariffs or freight rates issued or arranged by the Joint Traffic Management Office (JTMO) in which the contractors shall refer to for the over ocean movement of privately owned vehicles (POVs).

**GOVERNMENT TRACTOR** - A tractor used by the Government to transport the Contractor's containers placed on chassis or over-the-road trailers.

**HAZARDOUS CARGO** - A substance or material including a hazardous substance, which has been determined by the Secretary of Transportation to be capable of posing an unreasonable risk to health, safety and property when transported in commerce and which has been so designated.

**INOPERABLE** - Not capable of being operated.

**JOINT TRAFFIC MANAGEMENT COMMAND** - (JTMO) Director, Joint Traffic Management Command MTTM-DIR Falls Church, VA.

**LINEHAUL** - The movement of a container between the Carrier's terminal at the port where the container is loaded to or discharged from the vessel and another place outside the commercial zone or modified zone of that United States port city or beyond a ten mile radius of the city limits by means other than the Carrier's principal vessels, such as by highway, railway, canal or river, or in specific instances by ferry or barge ship system.

**LINER TERMS** - The Carrier assumes all responsibilities and cost for the cargo from the port or point where the cargo is receipted for by the Carrier to the destination port or point where the Carrier makes the cargo available to the consignee.

**LOADING** - The physical movement of cargo/container from the pier to place of stowage on board a vessel.

**LOW COST CARRIER** - The Carrier which offers the lowest total cost for all services ordered in connection with handling and movement of a particular lot of cargo from origin to final destination, taking into account the density and stowage characteristics of the particular lot of cargo in relation to the types, sizes, configurations and weight carrying capacities of containers available for the movement.

**MAIL** - Includes all classes and types of postal matter.

**MAIL EQUIPMENT** - Includes sacks, pouches, and bags used for carriage of mail and locks or other devices used for sealing mail bags, pouches, sacks or containers.

**MILITARY TRAFFIC MANAGEMENT COMMAND (MTMC)** - Commander, Military Traffic Management Command, 5611 Columbia Pike, Falls Church, Virginia.

**MILSTAMP** - Military Standard Transportation and Movement Procedures.

**OCEAN CARGO CLEARANCE AUTHORITY (OCCA)** - The MTMC activity that books DoD sponsored cargo for surface movement performs related contract administration, and accomplishes export/import surface traffic management functions for DoD cargo moving within the DTS.

**OCONUS** - Outside Continental United States

**OPEN TOP CONTAINERS** - A container without a permanently affixed metal top. Top is a removable tarpaulin which is supported by roof bows.

**ORDERING ACTIVITY** - Includes the Commander, Military Sealift Command or his designee, and Military Traffic Management Command, or his designee.

**ORDERING OFFICER** - Appointed by the Chief of Acquisition, MTMC, with a copy provided to the Carrier. Responsible for, but not limited to, the following: Books cargo and issue shipping orders, samples bookings for low cost, monitors cargo allocation, recommends addition/deletion of routes/services, authorizes substitution of equipment and authorizes staging.

**OVER DIMENSIONAL CARGO**- Cargo meeting all of the criteria stated in Section G-5.5.

**OVERSIZED BREAKBULK CARGO or Ro-Ro Cargo**- Cargo that has any one dimension over forty (40) feet long, more than 8 feet wide or over 9 feet 6 inches in height, and as determined by the Ordering Officer, requires special handling equipment for loading aboard or discharging from a vessel because of that cargo's atypical size. All wheeled or tracked vehicles regardless of size are excluded from this definition. Extra length charges are not applicable to cargo defined as oversized cargo.

**OVERSIZED CONTAINER CARGO** - Cargo which when stowed aboard a cellular container ship would require more space than the space needed to load a 45 ft long, 9'6" high, 8 ft wide dry container i.e., would require more than one (1) container space of this size. Exceptions to this definition are described as "Over Dimensional Cargo," as defined in Section G-5.5.

**OVERTIME DIFFERENTIAL COST (ODC)** - Overtime Differential Cost is the difference in cost to perform cargo handling services during regularly scheduled working hours (as defined by the existing terminal tariff) and to perform the same services during non-regularly scheduled (overtime) working hours. For the purpose of this contract, ODC will apply in the Azores when it is incurred by the Government as a result of an express request by the vessel owner or his agent to perform such services on an overtime basis. ODC may include, but is not limited to, overtime costs for loading/unloading cargo to and from the vessel, bringing cargo to and taking it alongside the vessel within the terminal area, documentation and other administrative services, and extra wages or salary rates or charges related thereto (which may include the portion of the sum paid for pensions, health and welfare, payroll taxes and other fringe benefits in connection with work performance of the ordered services.

**OWNER** - See "Carrier".

**PARTIAL SERVICE POVs** - POVs moving between contractor operated CONUS/OCONUS VPCs and Government operated OCONUS VPCs.

**PLACE DESIGNATED BY THE CONTRACTING OFFICER** - Places within the commercial zone of United States ports or inland cities, and places within a ten-mile radius of the city limits of any U.S. port or inland city or limits of other places designated in the Schedule of Rates.

**PLATFORM** - A trailer/container with no sides or top, but only the floor.

**PROCUREMENT CONTRACTING OFFICER (PCO)** - Joint Traffic Management Office, or Falls Church, VA or designee.

**PROTECTED STOW** - The placement of cargo in a manner which can be stowed either above or below deck that will protect the cargo from wind, water, and other damages associated with the weather and sea.

**RAIL INTERMODAL EQUIPMENT** - A unit for transporting commodities in trailer or container on freight-car service from point to point, constructed in such a manner that it may be mounted and secured on a car, chassis or bogie for the purpose of such locomotives.

**RECYCLABLE MATERIAL SERVICE.** The Carrier's recyclable material service shall consist of transporting such materials in 20 and 40 foot dry containers from Azores to CONUS. The Carrier will be compensated for this service in accordance with the rates set forth in Section B of the contract.

**SINGLE FACTOR RATE** - A single rate which includes all segments of the international transportation move from origin to destination.

**SURFACE TRANSPORTATION BOARD (STB)** - The Successor Agency to the Surface Transportation Board and Commission Termination Successor Agency to STB, the agent of Congress to implement the Interstate Commerce Act which regulates rates, rules and practices of rail transportation lines engaged in interstate traffic, motor Carriers, common and Contract water Carriers operating in domestic trade, and freight forwarding companies.

**VEHICLE PROCESSING CENTER (VPC)** - Designated Government and Contractor 's facilities and/or space used for POV operations.

**WHARFAGE** - The charge for the use of a wharf or dock.

**WHEELED OR TRACKED VEHICLES (UNBOXED AND CONTAINERIZABLE)** - Includes all types of unboxed, land or amphibious equipment or conveyances, set up on wheels or tracks, whether or not self-propelled, but excluding railroad locomotives and set up railroad rolling stock. Vehicles shall be freighted on the basis of extreme dimensions as offered for shipment.

**WORKING DAY** - Excludes weekends and locally observed holidays.

## **ABBREVIATIONS**

|                |   |  |
|----------------|---|--|
| <b>ACCT</b>    | - | <b>Account</b>   |
| <b>ACO</b>     | - | <b>Administrative Contracting Officer</b>                |
| <b>CAR</b>     | - | <b>Carrier</b>   |
| <b>CAT</b>     | - | <b>Category</b>  |
| <b>CFR</b>     | - | <b>Code of Federal Regulations</b>                       |
| <b>CDRMTMC</b> | - | <b>Commander, Military Traffic Management Command</b>    |
| <b>COGSA</b>   | - | <b>United States Carriage of Goods by Sea Act</b>        |
| <b>COJTMO</b>  | - | <b>Commander, Military Sealift Command</b>               |
| <b>CONUS</b>   | - | <b>Continental United States</b>                         |
| <b>CTA</b>     | - | <b>Central Technical Activity</b>                        |
| <b>DOD</b>     | - | <b>Department of Defense</b>                             |
| <b>DTS</b>     | - | <b>Defense Transportation System</b>                     |
| <b>DFARS</b>   | - | <b>Defense Federal Acquisition Regulation Supplement</b> |
| <b>EDOB</b>    | - | <b>Estimated Date on Berth</b>                           |
| <b>ETA</b>     | - | <b>Estimated Time of Arrival</b>                         |
| <b>ETD</b>     | - | <b>Estimated Time of Departure</b>                       |
| <b>FEU</b>     | - | <b>Forty Foot Equivalent Unit</b>                        |
| <b>FCL</b>     | - | <b>Full Container Load</b>                               |
| <b>FAR</b>     | - | <b>Federal Acquisition Regulation</b>                    |
| <b>FIO</b>     | - | <b>Free In and Out</b>                                   |
| <b>GOVT</b>    | - | <b>Government</b>  |
| <b>GBL</b>     | - | <b>Government Bill of Lading</b>                         |
| <b>GOH</b>     | - | <b>Garment on Hangers</b>                                |
| <b>LB(S)</b>   | - | <b>Pound(s)</b>  |
| <b>LT</b>      | - | <b>Liner Terms</b>                                       |
| <b>L/T</b>     | - | <b>Long Ton (2,240 Pounds)</b>                           |
| <b>MBM</b>     | - | <b>1,000 Feet Net Board Measure</b>                      |
| <b>JTMO</b>    | - | <b>Military Sealift Command</b>                          |
| <b>MT</b>      | - | <b>Measurement Ton (40 Cubic Feet)</b>                   |
| <b>N/C</b>     | - | <b>No Charge</b>   |
| <b>NO(S)</b>   | - | <b>Number(s)</b>   |
| <b>OCONUS</b>  | - | <b>Outside Continental United States</b>                 |
| <b>PCO</b>     | - | <b>Procurement Contracting Officer</b>                   |
| <b>POV</b>     | - | <b>Privately Owned Vehicle</b>                           |
| <b>RDD</b>     | - | <b>Required Delivery Date</b>                            |
| <b>REEFER</b>  | - | <b>Refrigerated Container</b>                            |
| <b>REV</b>     | - | <b>Revised</b>   |
| <b>RFP</b>     | - | <b>Request for Proposals</b>                             |



## **ABBREVIATIONS**

|             |   |                                       |
|-------------|---|---------------------------------------|
| <b>RI</b>   | - | <b>Route Index</b>                    |
| <b>RLD</b>  | - | <b>Required Loading Date</b>          |
| <b>SA</b>   | - | <b>Shipping Agreement</b>             |
| <b>ST</b>   | - | <b>Short Ton (2,000 Pounds)</b>       |
| <b>TEU</b>  | - | <b>Twenty Foot Equivalent Unit</b>    |
| <b>TGBL</b> | - | <b>Thru Government Bill of Lading</b> |
| <b>USC</b>  | - | <b>United States Code</b>             |
| <b>VEH</b>  | - | <b>Vehicles</b>                       |

Attachment 2

CLEARANCE ORDER/SHIPPING ORDER

MTMC FORM 4612-1 (REV. 3/71-S/N 0104-121-3002

|   |             |             |              |                |                   |                    |      |     |         |             |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
|---|-------------|-------------|--------------|----------------|-------------------|--------------------|------|-----|---------|-------------|-------|----------------|-----|---------------------|------------|---------|---------|-----------------------------|--|--|--|--|--|--|--|--|--|
| This order confirms cargo booking as indicated and reflects the approximate tonnages and details of cargo as available at the time of booking<br>Freight will be based upon the cargo actually entered on the cargo manifest, bill of lading as appropriate |             |             |              |                |                   |                    |      |     |         | ORDER NO.   |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
| FROM  |             |             |              |                | TO                |                    |      |     |         | SHIP NAME   |       |                |     |                     | VOYAGE NO. |         |         |                             |  |  |  |  |  |  |  |  |  |
|   |             |             |              |                |                   |                    |      |     |         | AGENT       |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
| USNS  |             |             |              |                |                   |                    |      |     |         | TC          |       | VC             |     | GAA                 |            | MST     |         | SHIPPING CONTRACT/AGREEMENT |  |  |  |  |  |  |  |  |  |
|   |             |             |              |                |                   |                    |      |     |         |             |       |                |     |                     |            |         |         | BILL OF LADING              |  |  |  |  |  |  |  |  |  |
| CARGO   |             |             |              |                | LOADING           |                    |      |     |         | DISCHARGING |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
| CAT NO  | DATE BOOKED | DESCRIPTION | WEIGHT/ CUBE | I NLAND ORIGIN | LOADING PORT      | TERMINAL/ PIER NO. | EDOB | RLD | GOV ACC | CAR ACC     | OTHER | DISCHARGE PORT | ETA | I NLAND DESTINATION | RDD        | GOV ACC | CAR ACC | OTHER                       |  |  |  |  |  |  |  |  |  |
|   |             |             |              |                |                   |                    |      |     |         |             |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
|   |             |             |              |                |                   |                    |      |     |         |             |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
|   |             |             |              |                |                   |                    |      |     |         |             |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
|   |             |             |              |                |                   |                    |      |     |         |             |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
|   |             |             |              |                |                   |                    |      |     |         |             |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
|   |             |             |              |                |                   |                    |      |     |         |             |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
|   |             |             |              |                |                   |                    |      |     |         |             |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
|   |             |             |              |                |                   |                    |      |     |         |             |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
|   |             |             |              |                |                   |                    |      |     |         |             |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
|   |             |             |              |                |                   |                    |      |     |         |             |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
|   |             |             |              |                |                   |                    |      |     |         |             |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
|   |             |             |              |                |                   |                    |      |     |         |             |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
|   |             |             |              |                |                   |                    |      |     |         |             |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
| DISTRIBUTION  |             |             |              |                | OTHER PARTICULARS |                    |      |     |         |             |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
|   |             |             |              |                |                   |                    |      |     |         |             |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
| This shipment is to be routed as indicated , and any ocean bill lading issued to cover the above cargo must show the rates, terms and conditions as stated herein   |             |             |              |                |                   |                    |      |     |         |             |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
| TYPED NAME OF CONTRACTING OFFICER   |             |             |              |                | SIGNATURE         |                    |      |     |         |             |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |
|   |             |             |              |                |                   |                    |      |     |         |             |       |                |     |                     |            |         |         |                             |  |  |  |  |  |  |  |  |  |

## JTMO SHIPPING/CONTAINER AGREEMENT - STANDARD BILLING INSTRUCTIONS – INVOICE

|   |                               |  |  |                            |  |                         |  |  |  |                      |
|---|-------------------------------|--|--|----------------------------|--|-------------------------|--|--|--|----------------------|
| CARRIER   |                               |  |  |                            | INVOICE NO.  |                         |  |  |  |                      |
| 1. SHIPPING ORDER NO.   |                               |  |  |                            | 2. CONTRACT NO.*   |                         |  |  |  |                      |
| 3. SHIP NAME  |                               |  |  |                            | VOYAGE DOCUMENT NO.  |                         |  |  |  |                      |
| 4. SAILING DATE<br>5. PORT OF LOADING<br>6. PORT OF DISCHARGE<br>7. ROUTE INDEX & ZONE* | NUMBER OF<br>CONTAINERS*<br>* | INTERNAL<br>CUBIC<br>CAPACITY<br>EACH<br>CONTAINER | 8. INITIAL<br>ORIGIN   | 9. ULTIMATE<br>DESTINATION | 10. TYPE SERVICE OR<br>CHARGE  | 11. UNIT OF<br>MEASURE  | 12 CARGO<br>CATEGORY*                        | 13. QUANTITY<br>(In terms of<br>unit of measure) | 14. APPLICABLE<br>RATE PER<br>EACH UNIT OF<br>MEASURE* | 15. AMOUNT<br>BILLED |
| e.g. 210/06/96<br>PORTLAND<br>SATTAHIP<br>01A9  |                               | In MTs correct to<br>two decimal<br>places         | Place where<br>carrier terminated<br>responsibility for<br>cargo |                            | e.g. Ocean freight,<br>Drayage at (name0city)<br>Line-haul from origin<br>Line-haul to destination,<br>stuffing or detention | e.g. MT,<br>Each or Day | e.g. General<br>Cargo, Vehicles<br>or Reefer | Carry to two<br>decimal places                   |  |                      |

**STANDARD BILLING INSTRUCTIONS  
FOR  
GLOBAL CONTAINER/SHIPPING CONTRACTS**

1. The Military Traffic Management Command (MTMC) activity will issue a Shipping Order to the Carrier which will indicate the estimated total measurement tons or other units of cargo to be shipped. The Shipping Order will not be priced by the booking activity. The Shipping Order shall be the Carrier's contractual authority for billing MSC for the cargo moved. Amendments to the Shipping Order will be issued as required. If the cargo category requires negotiation, the rate negotiated by MSC will be inserted by the booking activity in the block on the Shipping Order reserved for such purpose.
2. After the ship has been loaded, the Carrier will submit a properly certified invoicer, in triplicate to the MSC activity designated as the paying office in the Shipping Order.
3. Invoices will be processed and paid in accordance with the PAYMENTS CLAUSE of this Contract.
4. Supplemental billings will be indicated as such and will indicate the original invoice number with numerical suffixes in ascending order, e.g., 120, 120-1, 120-2, etc.
5. Form and content of invoice:
  - a. A separate invoice must be submitted for each Shipping Order under which the Carrier has performed services.
  - b. Separate itemization within an invoice will be required for each variation in sailing date, port of loading, port of discharge, initial origin, ultimate destination, type service or charge, cargo category or applicable rate. In addition, separate itemization will be required for each variation in agreed average container cubic capacity.
  - c. Cargo for which payment is to be made must be itemized on the invoice.
  - d. Except as provided above, repetitions of a service for which a single rate applies are to be indicated as one entry on the invoice. Separate itemization of individual containers is to be avoided.
  - e. The applicable complete container serial numbers will be indicated in connection with any entry involving container services.
  - f. Invoices will be submitted in the format and containing the information specified in the Invoice Format set forth on the reverse of this form.

# ATTACHMENT 5 - CARGO PROJECTION

PROJECTED OUTBOUND CARGO TO AZORES FROM:

| POD                | DRY NOS    |            | REEFER<br>40' Only | BBULK<br>MTons | C. ATMOS<br>Ovr 40' | Vehicles*     |                     |
|--------------------|------------|------------|--------------------|----------------|---------------------|---------------|---------------------|
|                    | Und 40'    | Ovr 40'    |                    |                |                     | Ovr 40'       |                     |
| Dayville, CT       | 1          | 1          | 0                  | 0              | 0                   | 0             |                     |
| College Point, NY  | 1          | 1          | 0                  | 0              | 0                   | 0             |                     |
| N.Y. (Zone 2)      | 1          | 1          | 0                  | 0              | 3                   | 0             |                     |
| Harrisburg Group   | 1          | 207        | 0                  | 0              | 0                   | 0             |                     |
| Baltimore, MD      | 1          | 1          | 0                  | 0              | 0                   | 0             |                     |
| Norfolk (Zone 1)   | 1          | 1          | 1                  | 0              | 0                   | 450 (9450MTs) |                     |
| Norfolk (Zone 2)   | 1          | 1          | 1                  | 0              | 0                   | 1             |                     |
| Eden, NC           | 1          | 0          | 0                  | 0              | 0                   | 0             |                     |
| Charleston, SC     | 1          | 1          | 0                  | 60             | 0                   | 1             |                     |
| Atlanta, GA        | 1          | 1          | 0                  | 0              | 0                   | 1             |                     |
| College Park, GA   | 1          | 0          | 0                  | 0              | 0                   | 0             |                     |
| Forest Park, GA    | 1          | 1          | 0                  | 0              | 0                   | 0             |                     |
| Jacksonville, FL   | 1          | 1          | 0                  | 0              | 0                   | 1             |                     |
| Burlington, NJ     | 1          | 1          | 0                  | 0              | 0                   | 0             |                     |
| Philadelphia, PA   | 0          | 0          | 1                  | 0              | 0                   | 1             |                     |
| Carrier's Terminal | 36         | 360        | 216                | 2568           | 0                   | 1             |                     |
| Valdosta, GA       | 0          | 1          | 1                  | 0              | 0                   | 0             |                     |
| Pocomoke, MA       | 36         | 36         | 36                 | 0              | 0                   | 0             |                     |
| Carteret, NJ       | 1          | 1          | 30                 | 0              | 0                   | 0             |                     |
| Cincinnati, OH     | 15         | 1          | 0                  | 0              | 0                   | 0             |                     |
| E.Longmeadow, MA   | 15         | 1          | 0                  | 0              | 0                   | 0             |                     |
| Newport News, VA   | 1          | 240        | 0                  | 0              | 0                   | 1             |                     |
| Tacoma, WA         | 12         | 1          | 0                  | 0              | 0                   | 1             |                     |
| <b>Total</b>       | <b>130</b> | <b>859</b> | <b>286</b>         | <b>2628</b>    | <b>3</b>            |               | <b>458(9618MTs)</b> |

PROJECTED INBOUND CARGO FROM AZORES TO:

| POD                | DRY NOS    |            | BREAKBULK<br>MTons | TANK<br>Und 40' | RECYCLE<br>Und 40' | HAZ WASTE |          | Vehicles* |                     |
|--------------------|------------|------------|--------------------|-----------------|--------------------|-----------|----------|-----------|---------------------|
|                    | Und 40'    | Ovr 40'    |                    |                 |                    | Und 40'   | Ovr 40'  | Ovr 40'   |                     |
| Baltimore, MD      | 9          | 1          | 0                  | 0               | 0                  | 0         | 0        | 0         |                     |
| Norfolk (Zone 1)   | 123        | 327        | 0                  | 12              | 3                  | 0         | 0        | 0         |                     |
| Norfolk (Zone 2)   | 1          | 1          | 0                  |                 | 9                  | 0         |          | 0         | 0                   |
| 0                  |            |            |                    |                 |                    |           |          |           |                     |
| Charleston, SC     | 6          | 9          | 0                  | 0               | 0                  | 0         | 0        | 0         |                     |
| Carrier's Terminal | 1          | 1          | 3036               |                 | 0                  | 0         |          | 1         | 1                   |
| 450(9450MTs)       |            |            |                    |                 |                    |           |          |           |                     |
| <b>Total</b>       | <b>140</b> | <b>339</b> | <b>3036</b>        | <b>21</b>       | <b>3</b>           | <b>1</b>  | <b>1</b> |           | <b>450(9450MTs)</b> |

Note: Cargo flow is not steady throughout the year and fluctuates with highs in the May-August time frame and the Nov Pre-Christmas season. The above projections are the same for the firm three year.

**\* Denotes the following:**

**-two (2) vehicles per container – Total of 916 vehicles**

**-10.5 MT's/vehicle ( 21 MT's/40ft container) - 9,618 MTs Outbound and 9,450 MTs Inbound**

**ATTACHMENT 6 - SCHEDULE OF LIQUIDATED DAMAGES**

| <b>DESCRIPTION</b>   | <b>AMOUNT</b>   | <b>REFERENCE</b>   |
|--|---|--|
| Limitation of carrier's obligation:<br>Cargo not in compliance with<br>appropriate regulations | Amount equal to<br>applicable charges from<br>Section B                       | Section G.4,<br>Application of<br>Rates  |
| Timeliness of initial carrier<br>Submission of vessel<br>Schedules                             | \$250/voyage  | Section C.5,<br>Electronic Data<br>Interchange, Section<br>C.4.5, Vessel<br>Schedule |
| Reliability<br>Timely notice of schedule<br>Changes  | \$50/POD  | Section C.4.5,<br>Vessel Schedule<br>Section C.5,<br>Electronic Data<br>Interchange  |
| Missing in transit<br>ITV status<br>315 data   | \$8.50 each:<br>In gate<br>Vessel sails<br>Vessel arrival<br>Vessel discharge | Section C.5,<br>Electronic Data<br>Interchange                                       |
| Carrier not provided correct<br>detail<br>Cargo documentation by<br>Government                 | Amount equal to cargo<br>handling<br>Costs incurred                           | Section C.4,<br>Documentation  |

**Linehaul Transit Standards: C-2 Container Service**

|   |  |   |
|---|--|---|
| Failure of carrier to document<br>delivery, drayage/linehaul<br>Customs clearance |  | Section C.2.1,<br>Section C.2.6,<br>and Section C.4 |
| Failure to deliver inland   | Detention charge rate                                      | Section C.2.6,<br>and H.17                          |
| Failure to spot   | Liquidated damages will be<br>at the detention charge rate | Section H.9   |
| Failure to pick-up a<br>container/storage charges                                 | Liquidated damages will be<br>at the detention charge rate | Section H.16  |
| Delay in spotting   | Maximum detention charge                                   | Section H.9   |

| <b>DESCRIPTION</b> | <b>AMOUNT</b> | <b>REFERENCE</b> |
|--------------------|---------------|------------------|
|--------------------|---------------|------------------|

**Carrier Non-Performance:**

|  |  |               |
|--|--|---------------|
| Failure to lift containers                                     | \$400  | Section H.13  |
| Failure to maintain sailing frequency                          | \$20/equipment size  | Section C.1.1 |
| Failure to deliver containers within ocean transit time limits | \$35/dry & reefer freeze containers<br>\$100/reefer chilled containers | Section C.1.1 |
| Failure to meet minimum volume cargo                           | \$400/container  | Section C.1.1 |
| Failure to load cargo  | \$10/MT subject minimum assessment of not less than \$50               | Section H.13  |



